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Behavioral Costs as Determinants of Cost Perception and Preference Formation for Gifts to Receive and Gifts to Give *

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Abstract

Four experiments on the evaluation of gifts are reported, two on receiving gifts and two on giving gifts. In a fractional factorial design we investigated the effects of personal relationship, gift occasion and four cost categories, financial, time, psychic, and physical costs on the preference for gifts to give and for gifts to receive.

Participants judged gift scenarios after reading descriptions containing external characteristics of gift situations. In the experiments on receiving gifts, manipulation of the behavioral cost variables induced a cost perception and a corresponding preference effect: Gifts that were evaluated as more costly in terms of time, mental, and physical effort were significantly preferred. The gift giving experiments showed no substantial relationship between perception of costs and preference for gifts to give, although mental effort appeared to exert a significant effect on both cost perception and preference for a gift to give.

The results suggested that in receiving a gift the evaluation is affected by a perception of costs incurred, while in giving a gift the perception of costs did not lead to a change in the evaluation of the gift. Giving and receiving gifts are not reciprocal with regard to the type and number of factors that explain the relationship between costs and valuation.

Behavioral Costs as Determinants of Cost Perception and Preference Formation for Gifts to Receive and Gifts to Give

Introduction

Most research on gift giving has focused on the area of purchased products as gifts. This category comprises 95% of all gift presentations (Belk 1979), a finding that supports such an emphasis. Garner and Wagner (1991) found that expenditures for gifts amounted to 3.5% of the annual expenditures for their United States sample of households. According to Sherry (1983), virtually anything can be transformed into a gift. Money, purchased products and services, personally crafted objects, personal services, previously owned products and property, blood and body organs all can be presented as 'gifts' (Belk 1979). Research into blood and body organs as gifts is, for instance, provided by Parsons et al. (1972), Pessemier et al. (1977), Simmons et al. (1977) and Burnett (1981). Donating organs after one's death may be seen as an act of contributing to personal and social welfare. In the consumer behavior research area, attention on gift giving primarily focused on whether buying for a gift differs from buying for personal use. Research questions may pertain to issues like: Does the distinction *gift-personal use* affect the amount of money spent or the amount of effort devoted to the purchase?

Obviously, donor and situation characteristics influence the gift relationship, and consequently, the evaluation of gifts. Of course, recipient characteristics have their role to play (Banks 1979; Sherry 1983), but their effects are outside the scope of the present research. Following the initial study by Webley et al. (1983), researchers have recently started to address the evaluation of money as a gift (Webley and Wilson 1989; Burgoyne and Routh 1991; Pieters and Robben 1991). In those investigations, the relationship variable was studied in terms of relative status between donor and recipient. The relationship concept thus has relevance as well for the evaluation of money as an acceptable gift. In a related way, Belk and Coon (1991) illustrate the significance of gifts and money in college student dating; gifts can act as catalysts in maintaining and ending a relationship.

Receiving a gift usually means that one day, one will be a donor oneself (Sherry

1983), and appropriate action towards that end should be undertaken in due course. There is some evidence suggesting that the evaluation of a gift is a relative judgment, i.e., that there are other factors than the gift itself that influence the recipient's valuation of the gift. For instance, the cost of a gift should be interpreted relative to the donor's resources (Adams 1963; Homans 1961). Gift characteristics are interpreted in relation to donor characteristics, which means that different evaluations may be reached for identical gifts from different donors. For instance, a gift with a monetary value of \$10 will probably be valued more from a donor with a low financial budget (e.g., an unemployed person) than from someone whose financial budget is much larger (e.g., a psychology professor). Belk (1979) suggested that the expected reciprocity in the gift giving process can be disregarded if the recipient is *unable* to reciprocate, for instance because of age, resources, or health. In other instances reciprocation is not expected at all; a company director may present employees with a bonus not expecting a gift in return. Sometimes the direction of the gift transfer has been agreed upon and is one-sided, but it is justified to view gift giving as an exchange process (Mauss 1970), where reciprocity is the rule rather than the exception (Gouldner 1960). The repayment of a gift should be adequate, i.e., of at least equal value (Mauss 1970). This means that the exchange must in principle be fair, although this rule is moderated by the reciprocating person's ability and resources.

The present research investigates the evaluation of gifts to receive and of gifts to give using a behavioral costs concept. The following finding illustrates the relevance of such a concept in research on gift giving. Webley et al. (1983) asked students how much money they would spend on a gift for their mothers. The amount is dependent on whether it would be spent on a real (physical) gift or on a cheque or cash money. If the money was not to be spent on a gift, then twice the amount that was seen as appropriate for a gift was viewed necessary to be spent on a cheque or cash money. Clearly, this overspending is done to deal with an obvious shortcoming.

To elaborate upon the argument set out above, it is not only the financial characteristics of a gift that matter. The Webley et al. (1983) finding suggests that people involved in gift giving expect more than a transfer of pure economic means. This expected added or psychological value may transform a product from mere physical matter into a highly valued and appreciated gift. This point will be clearer when one thinks of the effects

personally made presents have as opposed to ready wrapped gifts from a department store.

One advantage of presenting someone with a gift over giving cash or cheque money is that a certain message or meaning can be conveyed (Schwartz 1967). Or, it may be the thought that counts; the mere fact that one has gone through some trouble may actually be a confirmation of the recipients' social value in a relationship. Of course, this picture may be different if both donor and recipient have agreed upon a certain gift to be presented. The argument set out below particularly deals with gifts that have to be chosen by the donor and draws on theories of reasoned action. However, it will become evident that it is the process of gift-buying and the subsequent evaluation of the gift rather than the actual purchase of a gift that is the focus of interest in this paper.

Behavioral and financial costs

Viewed as a special type of consumer purchase behavior, the economic exchange function of gift giving comes to mind easily (Belk 1979). To meet the reciprocity norm, receivers will eventually purchase a gift in return. As with every purchase, certain amounts of money, time, mental and physical effort must be expended to attain a certain product or service, here a gift. Consumer effort expenditures in purchasing gifts have not been systematically researched, at least not in a sense of integrating those various expenditures into a single theoretical framework. Below, the usefulness of a behavioral costs concept (Verhallen and Pieters 1984) which combines these different expenditures is investigated. In general, purchasing a gift means that the consumer has to think about an appropriate gift, to spend money, to visit one or more stores and getting to the store departments and to devote time to the process. In analogy with financial price, these necessary effort expenditures can be viewed as prices to be paid when purchasing a gift. These prices can be labelled *behavioral prices* as to distinguish them from financial price. Behavioral prices can be divided into time, psychic and physical prices. The psychic price may be represented as the amount of psychic or mental energy needed to come up with a suitable present. In this problem solving process, various factors are considered. For whom is the gift? And for what occasion? What does the recipient value most? What are his or her needs and tastes? Physical price can be thought of as the individual effort to be expended in terms of shopping.

Travelling to and from the city and going from store to store, literally means spending bodily energies. Thinking about and shopping for a gift invariably lead to a consumption of time. A certain amount of time thus has to be devoted to the process of purchasing. Such behavioral and financial prices that have been exerted should not be confused with the actual *costs* attached in performing a behavior, e.g., purchasing a gift. This cost figure plays a role in the choice between several behavioral alternatives. A cost figure relates the price paid for a product to an individual's budget. This cost figure then has an interpretative and relative value. In analogy to a financial budget, a behavioral budget is distinguished: an amount of behavioral facilities individuals have at their disposal to 'pay' for a certain behavior.

The concept of a behavioral budget compares with the involvement issue (Belk 1979, 1982; Goodwin et al. 1990). Consistent with the notion of behavioral prices, it is possible to discern three behavioral budgets, namely time budget, psychic budget and physical budget. These budgets represent the efforts in the different modes an individual maximally wants to employ to reach a goal (Verhallen and DeNooij 1982). It is possible to think of a higher level of involvement by the actor (i.e., the donor) as it becomes more important to reach a specific goal (buying a gift). It is certainly possible to spend less than the intended amount in the various behavioral modes. In these cases, the resulting costs figure (behavioral prices compared with behavioral budgets) can be viewed as low. If one devotes larger efforts to the purchase than was expected, a high relative cost figure arises. The sizes of these budgets are determined by the individual and they increase in size as the goal becomes more important to the individual (Brehm et al. 1983), for instance when the relationship becomes more intimate (Webley and Wilson 1989; Pieters and Robben 1991).

The occasion for which a gift is to be bought may affect the effort one is willing to take in finding an appropriate gift. The psychic budget is assumed to be larger if the donor intends to shop for a special gift rather than an ordinary one. Similarly, the physical budget is large if one is willing to expend much physical effort (e.g., when facing bad weather). And, accordingly, if a donor intends to devote as much time to the shopping process as necessary, one is said to have a larger time budget than if one only wants to spend part of the lunch break. The behavioral prices one has to pay are thus variable. Consistent with behavioral cost theory, the importance of the occasion and of the recipient at least partly determine the behavioral and financial budgets allocated to perform a certain behavior. Therefore, given a

certain behavioral price to be paid, the sizes of the allocated budgets determine whether the behavioral costs are relatively low or high.

The decision to buy

If only one present has been selected by the donor it is likely that this will be purchased. That is, if the expected costs are not too high for that particular individual. When there are alternatives the individual has to make a choice. Behavioral costs theory then predicts that the individual estimates the behavioral costs attached to the process of attaining a potential gift (Verhallen and Pieters 1984). From this perception of costs, a preference for a certain item is hypothesized to emerge (Verhallen 1984). Figure 1 depicts this behavioral costs hypothesis.

Insert Figure 1 about here

The behavioral costs hypothesis argues that "prices" to be paid (i.e., the task demands as perceived by the individual), in combination with the individually allocated budgets, arouse a perception of costs in the individual. This perception of costs will lead to an evaluation of gifts, and subsequently to a preference for a specific item. The proposed relationship resembles the price-quality relationship as discussed by Scitovsky (1945). Without intrinsic product (i.e. gift) information provided, (behavioral) prices will be seen as indicators of quality (or appropriateness). In commodity theory it is argued that the valuation of a commodity does not solely depend on intrinsic and functional attributes (Brock 1968). Supply and demand characteristics influence this valuation in a sense that any commodity will be valued to the extent that it is unavailable (Brock 1968; cf. the snob effect, described by Leibenstein 1950). The more restricted and less available a good is, the more it will be valued. Commodity theory discusses the delay (time costs) and the effort (psychic and physical costs) an actor has to deal with in attaining a good (a gift).

Hypotheses

The introduction section highlighted the relevance of a behavioral costs approach to the study of gift giving. Furthermore, it was argued that the valuation of gifts would partly depend on donor and situational characteristics. The present study sought to establish that (1) behavioral prices and behavioral budgets will lead to a cost perception, (2) that this perception of costs will lead to a preference increase, i.e., there will be a positive correlation between the preference for a gift and the level of perceived costs attached to it, and (3) that receiving and giving gifts are reciprocal concerning the effects of the variables influencing the preference for gifts.

Method

Participants

In total, 112 participants (49 women and 63 men) took part in the study. They were randomly assigned to one of four experiments; in each experiment 28 people participated. Most participants were undergraduate social science students from Tilburg University.

Design

Experiments 1 and 2 focused on the effects of behavioral prices and behavioral budgets on cost perceptions and the preference for gifts to give and for gifts to receive. Experiments 3 and 4 concentrated on the effects of time costs, physical costs, psychic costs, financial costs, relationship and gift occasion on cost perceptions and gift preference for gifts to give and for gifts to receive.

Each experiment contained six factors with two levels each. This yielded a total of 64 descriptions of extrinsic gift characteristics. These levels represent the operationalizations of the independent variables we were interested in, and therefore the chosen model is a fixed-effects model. Given the expected difficulties in having participants evaluate 64 stimuli in a full 2^6 -design, a one-fourth fractional factorial design was used. Modular arithmetic was

employed to arrive at this fractional design (Kirk 1982: 573-577, 669). Using such a procedure leads to a confounding of treatments and higher-order interaction effects, and therefore to a loss of information. We sacrificed the information contained in the three-way and higher order interactions to keep the task as simple as possible for the participant while being able to evaluate the main effects and the two-way interactions. This procedure left the participants with 16 stimuli to evaluate. The independent variables and their levels were made into gift scenarios that were read and rated by the participants.

Procedure

The procedure was identical for each experiment. Participants received a set of 16 descriptions of extrinsic gift characteristics. They were instructed to read all cards carefully. The stimuli were phrased according to the role the participants had to take (donor versus recipient). The stimulus card presented below was translated from Dutch, and was used in the second experiment on receiving gifts, and read:

Suppose you were to receive a present. The situation in which it was bought can be described as follows. To render you a pleasure, an acquaintance of yours decided to buy you a birthday present. On the free afternoon dedicated to this enterprise, it was raining cats and dogs. Indeed an unpleasant day to go for a bicycle ride.

The centre of the city is the best place to shop for gifts. However, it takes 20 minutes to get there on bike. Fortunately, your acquaintance knew precisely what you do value most. That afternoon your acquaintance felt very much like buying a special present for you. When the present was found, it appeared to cost much less than he expected to spend on it. At his arrival at home, he glanced at the clock and noticed that the afternoon just had started.

This specific card was designed to reflect a high involvement gift situation (birthday) involving a nonintimate relationship (acquaintance). Financial costs were low (less *versus* more than expected). The time costs involved were low, given a low time price (the afternoon

had just started *versus* to the afternoon had nearly ended) and a high time budget (dedicating a whole afternoon *versus* a small part of the afternoon). The associated physical costs were high, given a high physical price (cycling 20 minutes *versus* cycling five minutes) and a low physical budget (raining *versus* sunny day). Psychic costs involved knowing what the recipient likes most (*versus* not knowing this) combined with a high psychic budget (intention to buy a special present *versus* no intention to do so).

The descriptions in experiments 1 and 2 included psychic price, psychic budget, physical price, physical budget, time price, and time budget, all with two levels: low versus high. The descriptions in experiments 3 and 4 pertained to close versus distant relationship (acquaintance *versus* father), a high involvement versus low involvement gift occasion (birthday *versus* thank you gift), high versus low financial costs, high versus low psychic costs, high versus low physical costs, and high versus low time costs.

After reading each card, the participants indicated on 7-point scales the perceived costs attached to each gift (1 = extraordinary low, 7 = extraordinary high). Additionally, the participants sorted the cards into five groups to answer the question 'Which gift do you value most in receiving (or 'giving', in the other condition)?' (cf. Stephenson 1953). Group 1 represented the gifts valued most, whereas group 5 represented the gifts valued least. Groups 2, 3 and 4 represented intermediate levels on this dependent variable. The groups had to contain 2, 3, 6, 3 and 2 stimuli respectively.

Results and Discussion of Experiments 1 and 2

Experiments 1 and 2 examined the effects of behavioral prices and behavioral budgets on cost perception and preference for gifts to receive and for gifts to give. Physical budget, psychic budget and time price significantly affected the perception of costs when receiving gifts. Inspection of the means in Table 1a under 'Perceived costs when receiving a gift', while considering the contents of the operationalizations, suggests that these effects can be interpreted as follows. In receiving a gift, physical effort in unfavorable circumstances, planning to buy a special gift, and having expended much time in searching for the gift lead to an increase in perceived costs. These factors also influenced the preference for that gift in the same direction (see Table 2a, 'Preference when receiving a gift'): Having expended

physical effort in unfavorable circumstances and much time in finding a special gift lead to a preference for that gift. A significant correlation obtained between the preference for a gift to receive and the perceived costs ($r = -.64$; $p < .001$). This finding suggests that higher perceived costs correspond with an increased preference for that gift.

In the gift giving experiment, expending physical effort in unfavorable circumstances and spending much time on finding a gift are associated with perceived costs (see Table 1a, 'Perceived costs when giving a gift'). Only the thought of buying a special gift influenced the preference for a gift to give (see Table 2a, 'Preference when giving a gift'). The level of perceived costs did not correspond with the preference for a specific gift to give ($r = -.02$, *ns*).

It appeared that not all behavioral prices and budgets played a role in arousing a cost perception and preference for a gift. Physical budget and time price were relevant for inducing a perception of costs concerning gifts to receive and gifts to give. The psychic budget also contributed to this cost perception when receiving a gift. Different factors shaped the preference for gifts to receive and for gifts to give. In receiving gifts, physical budget, psychic budget and time price influenced the preference for a gift. These results suggest that knowing the physical potential of the donor, the donor's intention to select a special gift and the donor's spending much time lead to a preference increase. In giving a gift, only psychic budget effected the preference for a gift to give. This finding probably suggests that the most important behavioral concept in gift giving is planning to buy a special gift for the recipient.

The results of the experiment on receiving gifts support the hypothesis that an increase in perceived costs corresponded with an increase in the preference for that gift. Cost perception and preference were not related in the gift giving experiment. Concerning the third hypothesis it follows from Tables 1a and 2a that the preference for gifts to receive and for gifts to give is influenced by different behavioral factors. This conclusion does not support the third hypothesis.

Results and Discussion of Experiments 3 and 4

Table 1b presents the information for assessing the effects of relationship, occasion, financial and behavioral costs on the perception of costs for gifts to give and for gifts to receive. It appeared that the behavioral costs variables dominated the perception of costs in receiving a gift (see Table 1b, 'Perceived costs when receiving a gift'). Higher time, physical and psychic costs were relevant for inducing a cost perception; this perception is unrelated to relationship with the donor, the gift occasion and the financial costs associated with the gift. A donor's spending more time than actually planned, exerting physical effort under unfavourable circumstances and knowing what a recipient likes most while intending to buy a special gift led to an increased level of perceived costs. In giving a gift, higher physical costs influenced the perception of costs (see Table 1b, 'Perceived costs when giving a gift'). The relationship with donor, gift occasion, time, psychic and financial costs did not influence the perception of costs when giving a gift, although the latter approached statistical significance.

The experiment on receiving a gift shows that the behavioral costs factors also shaped the preference for a gift (see Table 2b, 'Preference when receiving a gift'). Again, relationship with the donor, the gift occasion and financial costs did not influence the preference for a particular gift to receive. When giving a gift, only the psychic costs influenced the preference for a gift (see Table 2b, 'Preference when giving a gift'). The gift that is associated with high psychic costs is significantly preferred.

As in the first experiment on receiving gifts, a significant correlation between cost perception and preference for a gift obtained ($r = -.73$; $p < .001$). Consistent with the first gift giving experiment is the slight but statistically significant association between the perception of costs attached to a gift to donate and the preference for a particular gift ($r = -.09$; $p < .05$).

As put forward in the first hypothesis, manipulation of the behavioral costs variables should lead to a perception of costs. The experiment on receiving gifts supported this hypothesis. In the gift giving experiment, physical and financial costs aroused a cost perception. The relationship, occasion, and financial cost variables did not contribute to the explanation of the preference for a gift to receive. Instead, it was the behavioral costs variables that significantly contributed to the preference for gifts to receive. Only a single

behavioral costs variable, psychic costs, influenced the preference for a gift to give.

The second hypothesis, suggesting a positive correlation between the preference for a gift and the level of perceived costs attached to it, found support in the experiment on receiving gifts. This positive correlation suggested that the higher the perceived costs for a gift, the higher the preference for that gift will be. In the gift giving experiment, the perception of costs attached to a gift did not lead to an increase in the preference for that specific gift to be given. This was indicated by the low but statistically significant relationship between both variables.

Hypothesis 3, which stated that receiving gifts and gift giving are reciprocal with respect to the effects of the independent variables on the preference for gifts, was not supported. The evidence contained in Table 2b ('Preference when receiving a gift') showed that in receiving gifts all behavioral costs variables contributed to the preference for gifts. In gift giving, however, only the psychic costs variable was of significant influence on the preference for gifts.

Conclusions

There are two dimensions on which giving and receiving gifts differ. First, in receiving gifts, the same factors influence perceived costs and the preference for a gift. In giving gifts, different factors influence the perception of costs and the preference. Second, the factors determining the perception of costs and preference for gifts to receive differ from those that influence these variables for gifts to give.

The first hypothesis specified that manipulation of the behavioral price and budget variables should arouse a perception of costs in the participants. This effect became evident after the second experiment on gifts to receive. In the first one, not all behavioral prices and budgets influenced the perception of costs. The second one, however, clearly showed that it is the combination of behavioral prices and budgets that influence this cost perception. This finding suggests that for gifts to receive, it is behavioral costs that determine the perception of costs, and not its constituent elements, namely behavioral prices and budgets.

How can we characterize the evaluation of gifts by donors and recipients given the results from the experiments? In the experiments on receiving gifts, this cost perception

induced a preference for certain gifts. However, the preference for gifts to give was not related to the perception of costs attached to finding that gift. In the mind of the donor, costs and preference for a gift are unrelated. One simply chooses the gift that is thought to be most liked by the recipient. The costs associated with presenting a gift reside in the physical costs to be incurred. In contrast, the recipient of the gift evaluates the gift based on a perception of costs: A high perceived level of costs leads to a higher preference for that gift. In estimating these costs, the perceived behavioral costs exerted by the donor are important. Especially time price, physical budget and psychic budget are significant. Relationship with the donor, gift occasion and financial costs are not relevant in estimating the perceived costs and do not influence the preference for a gift to receive. Donors can put this information to their use should they wish the recipient to favourably evaluate the received gift by emphasizing the behavioral costs incurred in finding that gift. In contrast, prospective recipients can influence the gift they want to receive. By reducing the perceived physical and financial costs of that gift they can enhance its attractiveness among alternatives.

There are two points on validity that we would like to address. The first one concerns the ecological validity of the procedure presented above. In real life it is not common to present a gift with a list of all efforts and money spent on the gift, accompanied by a questionnaire. It seems however not so unrealistic a task to have participants evaluate the expended efforts of an individual in purchasing a gift. That participants in the donor position may view this differently is suggested by the following finding. After the experiment, participants indicated on a 7-point scale how realistic they thought the situations described were; a '1' indicated that the gift descriptions made a 'very unrealistic' impression on the participants, and a '7' indicated a 'very realistic' impression. There was no difference in the perception of reality between the participants in the second set of experiments on giving and receiving gifts (means respectively 4.5 and 5.2, $t = 1.04$, $df = 26$, $p > .10$). Participants in the first gift giving experiment, which assessed the effects of behavioral prices and budgets on cost perception and preference, judged the reality of the descriptions to be lower than those in the experiment on receiving gifts (means respectively 4.8 and 5.7, $t = 2.1$, $df = 27$, $p < .05$). This finding indicates that the conditions described were less believable for the participants in the donor condition. While it is plausible for a recipient to read that a donor intends or does not intend to buy a special gift in the city center, these conditions may appear less

plausible for the participant as a donor.

The second point of validity concerns the use of students as participants. Students, as a group in society, may differ from other groups because of their financial position, age and possibly their position on other variables. However, they are familiar with giving and receiving gifts, which makes their evaluations of the gift situations in the present study valuable and useful. One should take care in generalizing the present results, however, to a larger and more diverse population.

An investigation designed to follow up on the present research, might require participants to *actually exert* behavioral costs. Using a more realistic and behaviorally oriented manipulation of the behavioral costs concepts, the difference in the perceptions in the experiments on giving and receiving gifts described above might vanish. For both recipients and donors, the task would be identical. As explained earlier, it is not unrealistic for recipients of gifts to learn about and evaluate costs incurred by donors in attaining gifts; in real life, recipients make *inferences* about the gift and the donor's intentions (see, e.g., Sherry 1983). Thus, the experiments on receiving gifts resemble reality in that the costs incurred are imaginable for the recipients. However, for the donors in the present investigation, the costs were difficult to imagine or simply less plausible, and therefore not relevant in evaluating the gift situations. A more realistic approach, then, would involve actual behavioral costs to control for the relative lack of realism in the gift giving experiments. Ways of going about this may be to have people actually go through the gift giving process, or to interview them after they conducted such an enterprise.

A second way of extending the present research is to use a nonstudent sample, to investigate the generalizability of the findings reported. In addition to that, the present study assessed whether relationships existed between the predictors and the cost and preference data. Such linear effects were assessed by employing manipulations with two levels. An assessment of the *nature* of the relationships between the behavioral costs variables and gift evaluation requires the use of more levels for each predictor. In that way, the operationalizations of the predictor variables, e.g., personal relationship, could be adjusted to more accurately reflect the relevant dimensions identified in the literature (e.g., Webley and Wilson 1989).

The behavioral costs idea is a fruitful way of studying gift behavior and the evaluation

of gifts to receive and to give. The concept integrates time, psychic and physical efforts expenditures and can be broadened to include financial and social factors, thus covering the relevant forces dealt with in research on consumer effort expenditure in gift-buying behavior. Differences between, for instance, purchases for personal use can thus can be described and researched. Relevant research questions in that respect are whether the reported results can be generalized to real life situations, and if the absence of reciprocity between receiving and giving gifts would remain then. Also, the question arises whether the influence of the behavioral costs variables can be generalized to other product valuation instances (e.g., Brock 1968; Olson 1972).

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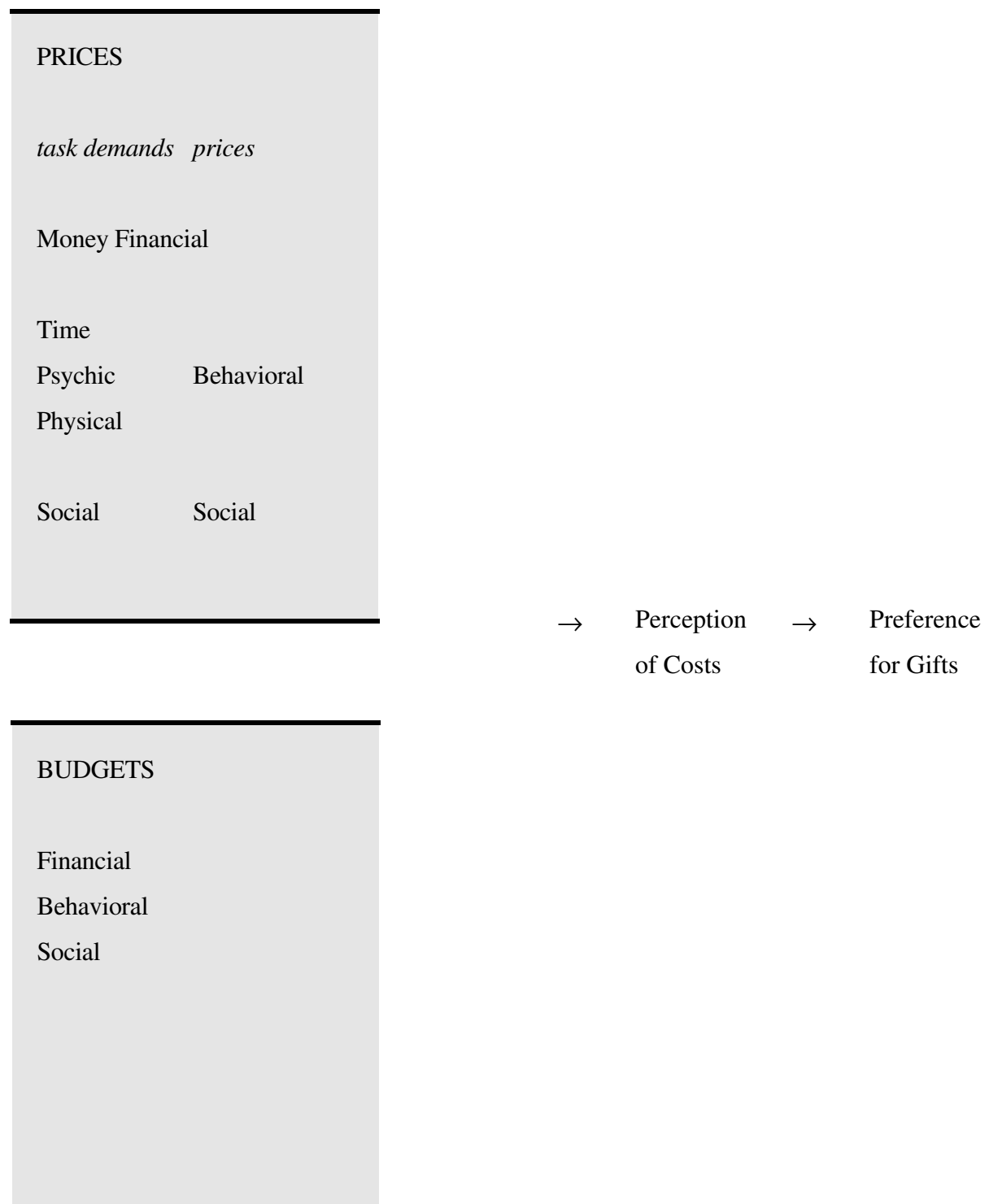


Fig. 1: The behavioral costs hypothesis (Adapted from Verhallen 1984:170).

Table 1a Perceived costs as a function of time budget, physical budget, psyhical price, psychic price, psychic budget and time price (1 = low costs, 7 = high costs)

Source	Perceived Costs when Giving a Gift			Perceived Costs when Receiving a Gift		
	Low	High	F(1,399)	Low	High	F(1,399)
Time budget	4.0	4.1	0.0	4.0	4.2	0.5
Physical budget	4.6	3.5	9.9 ^b	4.5	3.7	9.0 ^b
Physical price	3.8	4.3	1.9	3.9	4.4	3.6
Psychic price	3.9	4.2	1.2	4.2	4.1	0.2
Psychic budget	4.1	4.0	0.2	3.6	4.6	15.1 ^b
Time Price	3.6	4.5	7.3 ^b	3.5	4.8	24.5 ^b
			$R^2 = .26$			$R^2 = .47$

Table 1b Perceived costs as a function of relationship, occasion, time costs, physical costs, psychic costs and financial costs (1 = low costs, 7 = high costs)

Source	Perceived Costs when Giving a Gift			Perceived Costs when Receiving a Gift		
	Close	Distant	F(1,399)	Close	Distant	F(1,399)
Relationship	4.0	4.0	0.0	4.3	4.3	0.0
	Birthday	Thank-you-gift		Birthday	Thank-you-gift	
Occasion	4.0	3.9	0.1	4.4	4.1	0.6
	Low	High		Low	High	
Time costs	3.6	4.3	3.3	3.9	4.6	5.1 ^a
Physical costs	3.4	4.5	10.4 ^b	3.6	4.9	19.1 ^b
Psychic costs	3.9	4.1	0.4	4.7	3.8	7.5 ^b
Financial costs	3.7	4.3	3.8	4.4	4.4	0.6
			$R^2 = .23$			$R^2 = .35$

Note: ^a $p < .05$; ^b $p < .01$; critical F at .05 = 3.86; critical F at .01 = 6.70.

Table 2a Preference for gifts as a function of time budget, physical budget, physical price, psychic price, psychic budget, and time price (1 = high preference, 5 = low preference)

Source	Preference when Giving a Gift			Preference when Receiving a Gift		
	Low	High	F(1,399)	Low	High	F(1,399)
Time budget	3.1	2.9	1.2	3.1	2.9	0.9
Physical budget	3.2	2.8	1.4	2.7	3.4	9.3 ^b
Physical price	3.0	3.0	0.0	3.2	2.8	2.8
Psychic price	2.8	3.2	1.8	3.0	3.0	0.2
Psychic budget	3.5	2.5	13.1 ^b	3.5	2.5	16.8 ^b
Time price	3.0	3.0	0.0	3.4	2.6	14.3 ^b
			$R^2 = .22$			$R^2 = .42$

Table 2b Preference for gifts as a function of relationship, occasion, financial costs, time costs, psychic costs and physical costs (1 = high preference 5 = low preference)

Source	Preference when Giving a Gift			Preference when Receiving a Gift		
	Close	Distant	F(1,399)	Close	Distant	F(1,399)
Relationship	3.1	2.9	0.7	3.0	3.0	0.0
	Birthday	Thank-you-gift		Birthday	Thank-you-gift	
Occasion	2.8	3.2	1.4	2.9	3.1	0.4
	Low	High		Low	High	
Time Costs	3.0	3.0	0.0	3.3	2.7	6.9 ^b
Physical Costs	3.0	3.0	0.0	3.5	2.5	16.1 ^b
Psychic Costs	2.7	3.3	5.1 ^a	2.6	3.4	12.0 ^b
Financial Costs	3.0	3.0	0.0	3.2	2.8	2.0
			$R^2 = .11$			$R^2 = .39$

Note: ^a $p < .05$, ^b $p < .01$; critical F at .05 = 3.86; critical F at .01 = 6.70.